



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED NOT AUDITED REPORT FOR THE YEAR 2011

**PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS**

(TRANSLATION OF THE LATVIAN ORIGINAL)

	PAGE
INFORMATION ABOUT PARENT COMPANY	3
COUNCIL AND BOARD OF THE GROUP	4
MANAGEMENT REPORT	5 – 6
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	7
CONSOLIDATED FINANCIAL STATEMENTS	8 – 12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8 – 9
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13 – 22

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT

COMPANY NAME: LATVIJAS JURAS MEDICINAS CENTRS JSC

LEGAL STATUS: Joint stock company

REGISTRATION: Registered in Latvian Register of Enterprises at 27.08.2004.
Registration Number: 40003306807

LEGAL ADDRESS: 23, Patversmes str. 23, Riga, LV - 1005, Latvia

SHARES 800 000 shares with face value 1,00 LVL, int. al.:

798 800 public registered shares. ISIN code:LV0000100741

1 200 registered shares listed in the register of the Board

MAJOR SHAREHOLDERS: Ilze Birka 17.5%
Martins Birks 17.5%
Ilze Aizsilniece 11.4%
Guna Shvarcberga 10.4%
Janis Birks 8.3%

REPORTING PERIOD: 1 January 2011 - 31 December 2011

AUDITORS NAME AND ADDRESS: System audit Ltd.
Licence No.53
Matisa str. 19-6

Riga, LV-1001

Latvia

Number of

Council of the Group

31.12.11

From April 28, 2010 till the consolidated financial statements signing day

Position

Name

Chairman of the Council

Martins Birks

140 000

Member of the Council

Viesturs Shilins

3 038

Member of the Council

Ineta Gadzjus

Member of the Council

Jevgenijs Kalejs

Member of the Council

Uldis Osis

Board of the Group

From August 18, 2009 till the consolidated financial statements signing day

Position

Name

Chairman of the Board

Janis Birks

66 583

Member of the Board

Marta Aizsilniece

1 344

Member of the Board

Andris Vigants

700

LATVIJAS JURAS MEDICINAS CENTRS JSC MANAGEMENT REPORT

In accordance with the paragraph 1 of Section 4 of the law "On Consolidated Annual Accounts" the joint stock company is under an obligation to prepare the consolidated annual report.

The consolidated financial report contains information concerning the current financial situation and future development of parent company JSC "Latvijas Juras medicinas centrs" (hereinafter referred to as LJMC) and its subsidiary company "Juras medicina" Ltd. (hereinafter referred to as JM).

Corporate Governance Report for the year 2011 is published as a separate document.

This not audited consolidated financial report is prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and is based on business continuation principle. The financial statements were drawn up in Latvian lats (LVL) and euros (EUR). The applied currency exchange rate is EUR/LVL 0.702804.

The current financial condition of the Group of companies and its development

The share of the parent company constitutes the dominant part of the group's assets, turnover and profits.

The loss before taxes of the parent company was -109026 EUR

The loss before taxes of the subsidiary company was -6350 EUR

Important events that affected results of the Group's activities in reporting period

By March a new department of medical care has started in Vecmilgravis hospital.

The Olympus equipment for laparoscopy operations in gynaecology was purchased.

In July a new modern 1.5 Tesla magnetic resonance imaging apparatus GE "OPTIMA MR355 FREE BASIC" has started to serve the patients.

Ear, nose and throat doctor's office is equipped with modern hardware.

The building reconstruction and renovation supported by the ERDF funds is ongoing to provide outpatient medical services at Patversmes street 23 in the former hospital care housing. The new equipment for the oculist has been bought by support of ERDF.

Internal transactions with subsidiaries and associated companies in the year 2011 were not made.

The share price at the 01.01.11 was LVL 1,25; 31.03.11 - LVL 1,50; 6.11 - LVL 1,70; 30.09.11 - LVL 1,31; 31.12.11 - LVL 1,45.

Important Events after the Balance Sheet Date

A contract is signed with the National Health Service on state-paid medical services at last year's level.

The share price at the 15.02.12 was LVL 1,55.

Future Development of the Group

The Board is planning to develop ambulatory care and to offer new, high-quality services for the diagnostic and medical treatment, including Patversmes street 23 area. The development of joint computerized information and accounting system will continue. That will provide precise details of the services rendered to patient; the medical information will be in a digital format, as well as perspective – integration into the e-health system. The Board is optimizing the company's organization coping with the ongoing changes in the health service structure and changing

Risk Management

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT

On a regular basis the significant risks are assessed, involving a wide range of specialists. Measures are taken to mitigate the potential impact on business activities. Constantly, the Group's future development scenarios are reviewed based on the underlying and predictable market changes.

On behalf of the Group:

Chairman of the Board
Janis Birks

Member of the Board
Marta Aizsilniece

Member of the Board
Andris Vigants
Riga, 28 February, 2012.

LATVIJAS JURAS MEDICINAS CENTRS JSC

MANAGEMENT REPORT

Consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards adopted by the European Union. These financial statements give a true and fair view of the financial position of the Group and of its financial performance for the period ended 31 December 2011 in all essential aspects. In preparing those financial statements, management:

- selected suitable accounting policies and then apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- prepared the financial statements on the going concern basis to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by EU. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 28 February, 2012.

Assets

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
AS OF 31 DECEMBER 2011 AND 31 DECEMBER 2010

	December 31, 2011 EUR	December 31, 2010 EUR	Notes
ASSETS			
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	1 042	4 903	2
Total intangible assets	1 042	4 903	
Fixed assets			
Land and buildings	1 765 228	1 886 543	
Technological equipment and machines	1 263 846	569 802	
Other fixed assets and inventory	55 755	86 141	
Fixed assets add-ons (EU funds)	156 571	250 201	
Unfinished building objects	585 610	3 826	
Advance payments for fixed assets	8 584	1 988	
Total fixed assets	3 835 594	2 798 500	2
Long-term financial assets			
Participating interests in associated enterprises	207 688	192 202	3
Total financial assets:	207 688	192 202	
Total long-term investments:	4 044 324	2 995 605	
Current assets:			
Stocks			
Raw materials	95 527	82 242	4
Total stocks	95 527	82 242	
Debtors:			
Trade debtors	209 952	169 581	5
Other receivables	44 724	54 036	6
Accruals	3 556	3 480	7
Total debtors	258 231	227 097	
Cash funds	1 215 874	1 769 249	8
Total current assets	1 569 633	2 078 588	
TOTAL ASSETS	5 613 956	5 074 193	

Liabilities

LATVIJAS JURAS MEDICINAS CENTRS JSC MANAGEMENT REPORT AS OF 31 DECEMBER 2011 AND 31 DECEMBER 2010

	December 31, 2011 EUR	December 31, 2010 EUR	Notes
LIABILITIES			
Equity capital:			
Share equity	1 138 297	1 138 297	9
Reserves:			
c) reserves provided by the Articles of Association	45 522	45 522	
d) fixed asset's revaluation reserve	1 068 069	1 206 772	
Retained earnings:			
a) brought forward from previous years	2 043 196	2 030 560	
b) current year profit or loss	(108 981)	(150 547)	
Total shareholders' equity	4 186 102	4 270 605	
Non-controlling interest	1 931	1 975	
Total equity capital	4 188 033	4 272 580	
Provisions for liabilities and charges:			
Provisions for vacations	119 793	130 255	
Total provisions	119 793	130 255	
Liabilities:			
Liabilities:			
Received advance payments	564 281	221 127	10
Due to customers and suppliers	348 292	52 369	11
Taxes and social security payments	106 338	109 036	12
Other payables	124 844	130 782	13
Recognized deferred tax liabilities	162 374	158 044	22
Total liabilities	1 306 130	671 358	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5 613 956	5 074 193	

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

	2011, EUR	2010, 12 EUR	Notes
Net sales	4 991 883	4 781 019	14
Cost of goods sold	(4 836 704)	(4 701 745)	15
Gross profit or loss	155 178	79 274	
Administrative expenses	(396 328)	(365 372)	16
Other operating income	138 564	133 202	17
Other operating expenses	(2 452)	(13 682)	18
Income from investment in associates	15 350	11 612	19
Interest income and similar income	2 816	7 383	20
Profit (loss) before taxes	(86 872)	(147 583)	
Corporate income tax	(22 153)	(3 011)	21
NET PROFIT OR LOSS	(109 025)	(150 594)	
Other comprehensive income			
Gain (loss) on revaluation of properties excluding deferred tax	-	-	22
Other comprehensive income for the year, net of tax	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(109 025)	(150 594)	
Profit attributable to Owners of LJMC	(108 981)	(150 547)	
Non-controlling interest	(44)	(47)	
	(109 025)	(150 594)	
Total comprehensive income attributable to			
Owners of LJMC	-	-	
Non-controlling interest	-	-	
	-	-	
Number of shares	800 000	800 000	
Earnings per Share (EPS)	(0,14)	(0,19)	

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

	Share capital	Reserves provided	Properties revaluation	Previous years	Current year profit	Non- controlling	Total
At 31 December 2009	1 138 297	45 522	1 345 476	1 950 626	(83 248)	2 022	4 398 696
Previous years retained earnings	-	-	-	(83 248)	83 248	-	-
Dividends paid	-	-	-	-	-	-	-
Depreciation of revaluation surplus	-	-	-	-	(150 547)	(47)	(150 594)
Deffered tax on revaluation surplus	-	-	(163 182)	163 182	-	-	-
Total comprehensive income for the year	-	-	24 478	-	-	-	24 478
At 31 December 2010	1 138 297	45 522	1 206 772	2 030 560	(150 547)	1 975	4 272 580
Previous years retained earnings	-	-	-	(150 547)	150 547	-	-
Dividends paid	-	-	-	-	-	-	-
Depreciation of revaluation surplus	-	-	(163 182)	163 182	-	-	-
Deffered tax on revaluation surplus	-	-	24 479	-	-	-	24 479
Total comprehensive income for the year	-	-	-	-	(108 981)	(44)	(109 025)
At 31 December 2011	1 138 297	45 522	1 068 069	2 043 196	(108 981)	1 931	4 188 033

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

	2011, EUR	2010, 12 EUR	NOTE S
Cash flows used in operating activities			
Net income before tax	(86 872)	(147 583)	
Adjustments:			
a) depreciation of tangibles	564 594	518 339	2
b) depreciation of goodwill	4 993	6 403	2
c) provisions	(10 464)	(7 194)	
d) loss (gain) on sale of tangibles	-	1 863	
e) interest income	(7 383)	(7 383)	20
f) gain (loss) from investments in associates	(15 350)	(11 612)	19
g) gain from the change of fair value of investment pproperty	-	-	
2. Gain (loss) before changes in current assets and liabilities	449 518	352 832	
Changes in operating assets and liabilities:			
a) receivables.	34 627	34 627	
b) inventory.	(13 285)	(7 917)	
c) current liabilities.	600 112	244 841	
3. Gross operating cash flow	1 070 971	624 383	
4. Paid interest.	-	-	
4. Paid corporate income tax.	(16 983)	(24 987)	12
5. Net cash used in operating activities	1 053 988	599 396	
II. Cash flow used in investment activities			
1. Purchase of shares of associates.	-	-	
2. Purchase of fixed assets.	(1 610 490)	(182 099)	2
3. Selling of fixed assets.	312	312	
4. Received interest.	2 816	7 383	20
5. Net cash from investment activities	(1 607 363)	(174 404)	
III. Cash flows used in financing activities	-	-	
1. Paid dividends.	-	-	
IV. Net increase (decrease) in cash	(553 375)	424 992	
V. Cash at the beginning of the period	1 769 249	1 344 257	
VI. Cash at the end of the period	1 215 874	1 769 249	

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

GENERAL INFORMATION

"Latvijas Juras Medicinas Centrs" is a joint-stock company (the Company) incorporated in the Republic of Latvia on 27 August 1996. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary - "Juras medicina" Ltd. (the Group).

The Group's main activity is health care services.

1. ACCOUNTING PRINCIPLES

Basis of consolidation

The consolidated financial statements have been prepared in accordance with the International financial reporting standards adopted by the European Union. Enclosed financial statements are prepared in the national currency of Latvia, the lats (LVL).

There is no difference in balance sheet dates of the Company and its subsidiary.

The interest of minority shareholders is stated at the minority proportion of the net assets.

All significant intercompany transactions and balances among Group companies are eliminated on consolidation.

The portion attributed to the parent company of the net assets are offset with the investment and have been eliminated. The portion attributed to the parent company of the retained earnings earned after the acquisition date of shares are included in the consolidated retained earnings.

Foreign currency

Transactions denominated in foreign currencies are converted into Lats at the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are converted at the Bank of Latvia rate at the balance sheet date.

The applicable rate used for the principal currencies were the follows:

	December 31, 2011	December 31, 2010
EUR	0.702804	0.702804
USD	0,525	0,562

Gains or losses on conversion are posted to the profit or loss account at the Bank of Latvia official exchange rate as of the balance sheet date and recognized in the period when they incurred.

Exchange differences rising on the settlement of monetary items are recognized in the period in which they arise.

Cash and cash equivalents

Cash includes cash on hand and demand deposits with credit institutions. The statement on cash flow is prepared using indirect method, making adjustments affecting the net profit reconciling with the changes in cash during the year.

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

Trade receivables

Trade receivables are stated at their net realizable value. Trade receivables represent the gross balance due from customers less provision, if any, for doubtful accounts receivable. Provision for doubtful accounts receivable at the balance sheet date represents the estimated amounts of probable losses that might have been incurred at the balance sheet date based on individual evaluation of each debtor.

Inventory

Inventories are stated at the lower of cost or market, using FIFO method.

Fixed assets

Fixed assets excluding real estate are stated at historical cost, less accumulated depreciation. The cost of the item comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to working condition for intended use. The cost of self-constructed asset is determined using the same principles as for an acquired asset. Only assets with its useful life more than one year are capitalized. Depreciation is calculated based on the historical cost.

Separate accounts are used for assets acquired by EU funding.

Repair and maintenance costs are expensed when incurred. Capital expenditures such as refurbishment of buildings and improvements to structural elements are recognized as an asset if the expenditures improve the condition of the asset beyond its original estimated life.

Land and buildings (real estate) are accounted according to the revaluation model, recognized at the fair value determined from market-based evidence. Buildings are revaluated as on 31.12.2009 based on the cadastral value as fair value. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Depreciation is calculated based on the revalued amount. The depreciation charge for each period is recognised in the statement of income.

The increase (decrease) in the value of buildings and constructions is reflected in the Statement of comprehensive income under "Gains (losses) from revaluation of properties". Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss.

Depreciation is provided on all fixed assets based on historical cost. Depreciation on fixed assets are computed using the straight-line method over the estimated average useful lives:

Buildings:	20 years
Revaluated part of the buildings	15 years
Machinery and equipment:	3 years
Other fixed assets:	5 years

For tax purposes, depreciation on tangible fixed assets is calculated under the double declining balance method over the period established in accordance with prevailing tax legislation.

Investments in associates

Investments in associates are initially recognized at the cost and then accounted under the equity method.

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

Revenue recognition

Sales of goods are recognized when goods are delivered and title has passed.

Dividends

Dividends are recognized as liabilities in the Group financial statements after the Group shareholders made a decision to pay.

Property revaluation surplus

The revaluation surplus is included in other comprehensive income and accrued amount is reflected in equity under the heading "Investment revaluation reserve". According to IASs 16, p.41, the revaluation surplus included in equity is transferred directly to retained earnings. The surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

Taxation

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in opinion of management, it is more likely than not that some proportion or all deferred tax assets will not be realized.

Deferred tax on revaluation surplus is reflected in the Statement of other comprehensive income.

Risk Management

The Management Board is responsible for setting up risk management guidelines and risk monitoring.

The Group has identified the major risk factors and developed policies and mechanisms to control these factors. The major risks are defined as:

Market risk: a country's economic deterioration, changes in the public and the insurer health care and its financing policy, competition, changes in utility tariffs, etc. can significantly affect the demand for Groups services and its profitability.

Operational risk: The possibility of suffering losses caused by inadequate or failed internal pace of the medical treatment process, actions of staff or systems, or external events impact. Patient dissatisfaction with the quality of medical services, treatment process organization or staff attitudes in the long term can lead to a fall in income and even financial claims.

Credit Risk: The inability of insurance companies and patients to pay for the services in time and in full amount.

Risk Management (continued...)

Liquidity risk: unable to meet the legally enforceable requirements without major damage and inability to cope with unplanned changes in Groups resources and / or market conditions related to the fact that it does not have sufficient liquid assets.

Risk control mechanisms include: appropriate risk policies, investment planning, cash flow planning, budgeting and control, liquidity control, the medical treatment process organization and control, sanitary compliance control, staff skill development, implementation of advanced technologies, employee involvement in risk assessment and control.

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

2. TOTAL FIXED ASSETS AND OTHER INTANGIBLE (FIXED) ASSETS

As on 31 December 2011 and 31 December 2010

fixed assets are composed as follows:

EUR	Intangible assets	Land & buildings	Machinery and equipment	Other fixed assets	Fixed assets add- ons (EU funds)	Unfinished building objects	Advance payments for fixed	Total
Historical cost								
At 31 December								
2009	37 097	3 615 026	2 769 094	488 463	-	-	250 201	7 159 881
Additions	-	-	132 284	44 001	3 826	1 988	-	182 099
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(226 288)	(29 903)	-	-	-	(256 191)
At 31 December								
2010	37 097	3 615 026	2 675 090	502 561	3 826	1 988	250 201	7 085 789
Additions	1 131	-	1 006 074	14 905	579 796	8 584	-	1 610 490
Transfers	-	-	-	-	1 988	(1 988)	-	-
Revaluation	-	93 629	-	-	-	-	(93 629)	-
Disposals or change in classification	(697)	-	(90 820)	(37 404)	-	-	-	(128 922)
At 31 December	37 531	3 708 656	3 590 344	480 061	585 610	8 584	156 571	8 567 357
Accumulated depreciation								
At 31 December								
2009	25 791	1 513 144	2 079 240	393 485	-	-	-	4 011 660
Charge for the year	6 403	52 157	250 921	52 080	-	-	-	361 560
Charge for the period for revaluated fixed assets	-	163 182	-	-	-	-	-	163 182
Disposals	-	-	(224 872)	(29 145)	-	-	-	(254 017)
At 31 December								
2010	32 194	1 728 483	2 105 288	416 421	-	-	-	4 282 386
Charge for the year	4 993	51 761	305 491	44 159	-	-	-	406 403
Charge for the period for revaluated fixed assets	-	163 183	-	-	-	-	-	163 183
Disposals or change in classification	(697)	-	(84 281)	(36 273)	-	-	-	(121 251)
At 31 December								
2011	36 490	1 943 428	2 326 498	424 306	-	-	-	4 730 722
Net book value								
At 31 December								
2009	11 306	2 101 882	689 854	94 978	-	-	250 201	3 148 221
At 31 December								
2010	4 903	1 886 543	569 802	86 141	3 826	1 988	250 201	2 803 403
At 31 December								
2011	1 042	1 765 228	1 263 846	55 755	585 610	8 584	156 571	3 836 636

The balance value of the land and buildings excluding reevaluation adjustments as on 31-12-2010 is 575,712 EUR.

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

3. PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment	Capital share (%)	Amount of investment
	2011		2010	
	EUR		EUR	
Participation in "Neirozu klinika" Ltd.	45,30	207 688	45,30	192 202
Total participating interests in associated enterprises		207 688		192 202

SIA "Neirozu klinika" 64 shares have been bought for 96,00 LVL (0,03% from total capital).

4. RAW MATERIALS

	2011 EUR	2010 EUR
Pharmaceutical	94 479	80 947
Products	645	273
Advance payments to supplier of goods	78	266
Stock in warehouse	-	248
Inventory	-	83
Other materials	326	425
Total	95 527	82 242

5. TRADE DEBTORS

	2011 EUR	2010 EUR
Rigas department	78 601	119 429
Latvian University	3 129	7 891
Insurance BTA SE	9 515	6 568
SEESAM Latvija	2 040	4 637
Ergo Latvija AAS	6 258	3 469
IF Latvija AAS	4 361	3 116
Ministry of Interior – health and social departme	64	2 009
Latvian railway AS	1 736	1 722
Balta AAS	364	1 668
Gjesidege Baltic	5 098	1 595
Baltijas apdrošināšanas nams	1 466	1 356
Balva AAS	1 690	1 188
Narkologijas centrs	-	440
Compensa Life Vienna Insurance group	199	142
Biogen Idec Ltd.	1 198	36
P.Stradiņa klīniskā universitātes slimnīca	70 325	-
Olla M SIA	1 695	-
Other customers	28 871	16 187
Bad debt provisions	-6 659	-1 871
Total	209 952	169 581

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

6. OTHER RECEIVABLES

	2011	2010
	EUR	EUR
Taxes overpayment (note No.12)	21 060	44 492
VAT for unpaid invoices	1 565	3 268
Other debtors	22 099	6 276
Total	44 724	54 036

7. ACCRUALS

	2011	2010
	EUR	EUR
Assurance expense	3 556	3 480
	-	-
Total	3 556	3 480

Cash on hands

8. CASH FUNDS

	2011	2010
Cash in banks	1 211 110	1 766 306
Deposit	-	-
Cash on hands	4 764	2 942
Total	1 215 874	1 769 249

9. SHARE EQUITY

Share equity	2011		2010	
	Number of		Number of	
	shares	Share %	shares	Share %
Shareholders:	66 583	8,32%	65 083	8,14%
Ilze Birka	140 000	17,50%	140 000	17,50%
Martins Birks	140 000	17,50%	140 000	17,50%
Ilze Aizsilniece	91 565	11,45%	91 565	11,45%
Guna Shvarcberga	82 917	10,36%	82 917	10,36%
Other shareholders (shares less than 5%)	278 935	34,87%	280 435	35,05%
Total	800 000	100,00%	800 000	100,00%
Share equity	2 011		2 010	
	1 138 297		1 138 297	

10. RECEIVED ADVANCE PAYMENTS

	2011	2010
	EUR	EUR
VEK advance payment for 2010	562 696	220 739
Other advances	1 585	388
Total	564 281	221 127

11. DUE TO CUSTOMERS AND SUPPLIERS

	2011	2010
	EUR	EUR
Amerilat MD	-	15 997
Latvijas Gaze	15 033	12 740
Latvenergo Rīgas elektrotīkls	10 176	7 941
Sistēmu Audits SIA	4 980	3 472
Segaway SIA	-	1 222

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

11. DUE TO CUSTOMERS AND SUPPLIERS (continued...)

	2011	2010
	EUR	EUR
Rīgas Ūdens	-	356
Academic histologic laboratory	1 117	312
Lattelekom	-	169
AB Medical Group Rīga	-	-
Other suppliers	316 986	10 159
Total	348 292	52 369

12. TAXES AND SOCIAL SECURITY PAYMENTS

	Atlikums uz 31-12- 10 EUR	Aprēķināts EUR	Pārskaitīts EUR	Atgriezsts EUR	Atlikums uz 31-12- 11 EUR
Value added tax	4 797	36 514	-39 314	3	1 999
Social insurance	61 521	864 444	-820 391	-39 058	66 516
Personal income tax	42 325	489 576	-492 980	-1 423	37 498
Corporate income tax	-44 492	-	-16 983	40 509	-20 966
Unemployment duty	124	1 525	-1 510	-31	108
Natural resources tax	270	1 844	-1 898	-	216
Real estate tax	-	5 211	-5 304	-	-94
Total, including	64 544	1 399 114	-1 378 380	-0	85 278
due to the budget	109 036				106 338
overpayment	-44 492				-21 060

13. OTHER PAYABLES

	2011	2010
	EUR	EUR
Salaries	123 514	129 030
Trade union	847	1 059
Deposited salary	484	693
Total	124 844	130 782

14. NET SALES

	2011	2010
	EUR	EUR
Medical ambulant services	3 143 148	3 026 335
Medical hospital services	1 158 223	1 020 597
Insurance payments	269 518	345 759
VS ZDC ambulant services	233 364	188 744
Services - minimum fixed part	13 144	13 144
Residents training	45 188	44 581
Stomatology services	64 204	58 496
Family doctors	38 393	45 606
Other income	26 700	37 756
Total	4 991 883	4 781 019

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

15. COST OF GOODS SOLD

	2011	2010
	EUR	EUR
Salaries and wages	2 233 054	2 202 728
Fixed assets depreciation	569 587	524 742
Medical goods	609 218	520 882
Social tax	524 267	513 008
VAT - expenses	226 403	206 386
Public utilities	187 065	174 952
Repair expenses	92 985	148 026
Rent of equipment	48 484	102 158
Household goods	23 379	36 882
Security expenses	40 097	35 979
Current assets write-off	31 556	31 058
Computer maintenance, repair	21 289	21 475
Medical researches	22 146	21 164
Advertising	17 251	21 030
Office expenses	13 504	17 729
Utilities	22 553	16 454
Feeding expenses	26 061	15 982
Insurance expenses	4 636	6 377
Transport expense	7 668	6 322
Employees trainings	6 586	4 932
Allowances to employees	1 707	2 618
Unemployment duty	1 525	1 473
Gifts to employees	1 448	1 091
Accruals for vacations	6 658	(18 103)
Received discounts	(11 346)	(7 453)
Other operating expenses	108 922	93 853
Total	4 836 704	4 701 745

16. ADMINISTRATIVE EXPENSES

	2011	2010
	EUR	EUR
Salaries and wages	198 646	168 000
Board remuneration	46 386	37 742
Social tax	34 249	35 223
Board chairperson remuneration	30 512	23 697
Communication expenses	14 745	17 558
Council members remuneration	19 123	17 530
Office expenses	5 637	14 658
Presentation expenses	2 767	9 330
Council chairperson remuneration	8 196	8 196
Audit expenses	7 114	7 114
Board members social tax	7 056	6 817
Chairperson of the Board social tax	7 349	5 709
Bank expenses	5 024	4 952
Council members social tax	4 418	3 974
Chairperson of the Council social tax	3 130	2 827
Legal services	1 975	1 975
Other administrative expenses	-	71
Total	396 328	365 372

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

17. OTHER OPERATING INCOME

	2011	2010
	EUR	EUR
Rent income	81 697	92 356
Hotel services – food	18 563	15 686
Utilities for tenants	3 702	7 363
Feeding income	332	1 821
Laundry income	1 688	1 696
Solarium income	905	1 037
Income from social tax return	-	-
Press goods	-	-
Other income	31 677	13 243
Total	138 564	133 202

18. OTHER OPERATING EXPENSES

	2011	2010
	EUR	EUR
Real estate tax	643	4 547
Loss from fixed assets disposals	-	1 863
Penalties	121	23
Currency exchange loss	-	10
Other expenses	1 688	7 240
Total	2 452	13 682

19. INCOME FROM INVESTMENT IN ASSOCIATES

	2011	2010
	EUR	EUR
Neurology clinic Ltd.	15 350	11 612
Total	15 350	11 612

20. INTEREST INCOME AND SIMILAR INCOME

	2011	2010
	EUR	EUR
Interest income	2 816	7 383
Total	2 816	7 383

21. CORPORATE INCOME TAX

	2011	2010
	EUR	EUR
Calculated Corporate income tax	19 043	11 887
Deferred Corporate income tax	3 110	(8 876)
Total	22 153	3 011

21. CORPORATE INCOME TAX (CONTINUED ...)

	2011	2010
	EUR	EUR
Profit (loss) before tax	(86 872)	(147 583)
Loss of a subsidiary	6 350	6 687
Evaluation of an associate company	15 350	(11 612)
Theoretically calculated corporate income tax	(9 776)	(22 876)
Permanent differences	28 819	34 762
Calculated corporate income tax	19 043	11 887

LATVIJAS JURAS MEDICINAS CENTRS JSC
MANAGEMENT REPORT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

Deferred tax

Temporary difference between financial	(499 348)	(317 759)
Temporary difference of fixed assets	(702 941)	(866 123)
Accruals for vacations	119 793	130 255
Total temporary differences	(1 082 497)	(1 053 627)
Tax rate applied	15%	15%
Deferred tax liabilities	(162 374)	(158 044)
Recognized deferred tax liabilities	(162 374)	(158 044)

22. PROPERTIES REVALUATION RESERVE

	2011	2010
	EUR	EUR
Balance at beginning of year	1 206 772	1 345 476
Other comprehensive income:	-	-
Decrease arising on revaluation of properties	-	-
Deferred tax assets arising on revaluation	-	-
Depreciation on evaluation surplus	(163 182)	(163 182)
Reversal of deferred tax liability on revaluation	24 478	24 478
Balance at end of year	1 068 067	1 206 772